Office of Economic Development Accountability Report for Fiscal Year 2004-2005

106-03841/

Table of Contents

	Page
Accountability Statement	3
Message from the Minister	4
Introduction	5
Schedule of Events	5
Department Progress and Accomplishments	5
Financial Results	21
Outcome Measures	22

Accountability Statement

The accountability report for the Office of Economic Development (OED) for the year ended March 31, 2005, is prepared pursuant to the *Provincial Financial Act* and government policy and guidelines. These authorities require the reporting of outcomes against the OED business plan information for the fiscal year 2004-2005. The reporting of OED outcomes necessarily includes estimates, judgments and opinions by OED management.

We acknowledge that this accountability report is the responsibility of department management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the business plan for the year.

_____

Ernest L. Fage
Minister

_____

Paul Taylor
Chief Executive Officer

Message from the Minister

I am pleased to present the 2004-2005 Accountability report for the Office of Economic Development (OED). This report reflects the ongoing efforts of staff inside OED as they work to achieve the priorities outlined in the department's 2004-2005 Business Plan.

As evidenced in this report, OED has been working closely with its partners in the economic development system. Over the past year, we have made significant progress in achieving our goals in an efficient and effective manner. This report demonstrates our efforts and our accountability to the people of Nova Scotia.

Introduction

This report covers the period from April 1, 2004 to March 31, 2005. It reflects the organizational goals, priorities and performance measures outlined in Office of Economic Development's (OED) 2004-2005 business plan and it describes results, achievements and progress in meeting the intended performance measures expected during this period. This report also includes a high level overview of the activities completed under OED's immigration priority. On January 26, 2005, the Nova Scotia government created the Office of Immigration and appointed a Minister of Immigration. The creation of this office consolidates all immigration related matters into one location taking the immigration portfolio out of direct responsibility of OED.

Department Progress and Accomplishments

Core Business Area: Leadership and Coordination

Priority 1: *System Coordination - Support the meetings which bring together key players in the economic development, innovation, and technology systems.*

2004-2005 Accomplishment:

OED's efforts toward system coordination are aimed at addressing shared governmental priorities through collaborative efforts. Toward this end, OED continues to conduct regular meetings with the heads of the economic development crown corporations and the Federal Economic Development Coordinating Committee of Deputy Ministers (FEDC-DM).

As outlined later in this report, OED has also continued its support of the Business and Technology Advisory Committee and the Business and Technology Advisory Committee.

Other products of OED's collaborative efforts include the establishment of an interdepartmental Community Development Advisory Group (CDAG) to consult citizens on community development issues and the launch of the provincial branding framework.

Priority 2: *Brand Nova Scotia - Developing an economic development branding and marketing strategy, that both government and private sector partners can take ownership of, focused on improving Nova Scotia's image, creating demand and driving sales.*

2004-2005 Accomplishment:

The provincial branding framework was rolled out to the private sector by the Premier on March 10, 2005. The novascotialife.com web portal was designed, launched and is continually being refreshed. It is one of the key tools being used to help strengthen the perception of Nova Scotia as a great place to work, invest in, do business with, live as well as to visit. Other brand tools (visual identity, videos, music) have been developed to carry this message and workshops, both within government and with the Nova Scotia business community have been held to start building partnerships with key stakeholder groups. A policy initiative to embed the brand filter in the policy development process of the government is also underway with TPB.

Priority 3: *Opportunities for Prosperity Oversight - Produce the 2004 annual review of progress and re-visit and validate OfP for 2005.*

2004-2005 Accomplishments:

Through consultations with the relevant provincial departments and agencies, the Office of Economic Development initiated an internal review of Opportunities for Prosperity and the progress achieved to date. Development of the Progress Report began in February 2005. It will play an integral role in validating the provincial growth strategy and in determining further courses of action. The Progress Report is scheduled for a Fall 2005 release.

Priority 4: *Industrial Benefits - Aerospace & Defense: Work with NSBI and Intergovernmental Affairs to ensure that Nova Scotia aerospace and advanced manufacturing companies receive a fair share of federal procurement opportunities.*

2004-2005 Accomplishment:

OED directed its efforts in Aerospace and Defence to working directly with the Aerospace and Defence Industry Association of Nova Scotia (and member companies). Particular emphasis was placed on the major federal crown procurement for the Maritime Helicopter Program (MHP). The resources of OED and NSBI collaborated in advancing the case for regional industrial benefits in Nova Scotia under the MHP in cooperation with Nova Scotia Intergovernmental Affairs. A significant level of industrial benefits will accrue to Nova Scotia based advanced manufacturing and technology firms under the program with several contracts have already been awarded.

Core Business Area: Business Climate

Priority 1: *Improve the general business climate - Complete the annual update of the Business Climate Index and analyze the results to identify action opportunities.*

2004-2005 Accomplishment:

Nova Scotia's Business Climate Index (BCI) was released in March 2005. As evidenced in the report, Nova Scotia's business climate continues to rank 1st in Atlantic Canada. Within Canada it has improved from 4th in 2003 (2000 data) to 3rd in 2004 (2001 data). Priority activities targeted to be addressed include immigration, access to capital, corporate and personal income tax and property and indirect tax. As in past years, each priority has an associated action plan. The Business Climate Index and related information are available online at http://www.gov.ns.ca/econ/businessclimate/2004/.

Priority 2: *Economic Immigration- In partnership with the Departments of Education, Tourism, Culture and Heritage, and Intergovernmental Affairs, develop an Immigration Strategy for Nova Scotia. The Provincial Nominee Program will be a key component of the strategy.*

2004-2005 Accomplishment:

OED was a key contributor to the management and development of an new immigration strategy for the province, which was released in January 2005. At the same time, a Minister and Deputy Minister of Immigration were appointed and a new Office of Immigration was opened with a mandate of implementing the action items outlined in the Nova Scotia Immigration Strategy.

Marketing efforts within the Nova Scotia Nominee Program resulted in 160 Nomination Certificates issued during fiscal year 2004-2005 (as compared to 57 in 2003-2004).

Priority 3: *Access to Capital: Work collaboratively to grow Community Economic Development Investment Funds (CEDIFs) as a financial tool for Nova Scotia communities. Develop a new provincial investment fund in partnership with labour, other governments, and the financial community.*

2004-2005 Accomplishment:

Since the inception of the Community Economic Development Investment Fund Program (CEDIFs) in 2000, 2,412 people have invested a total of $13.4 million within Nova Scotia. In 2004, Nova Scotians invested more than $3.2 million in CEDIF's, making the 2004 tax year the best year in the program's history. Presently, four new funds are offering shares in regions across the province. Work with the Department of Finance is also continuing with the objective of identifying and remedying problems within the administration of these funds. Significant enhancements are currently being reviewed which could make the capitalization and growth of capital under administration increase significantly.

In 2004-05 a new Labour-Sponsored Venture Capital Corporation (LSVCC) was officially launched. This new Fund, Growthworks Atlantic Fund, is managed in Halifax and will focus on investments in the four Atlantic Provinces.

The Industrial Expansion Fund supports the economic development efforts of the Province of Nova Scotia. The Fund has considerable flexibility in the amount and type of funding it can provide. Consequently, it is frequently employed to support the development initiatives of other agencies and serves as a corporate funding mechanism for broader government initiatives. During 2004, the fund supported 19 projects with $34.1 million in financial assistance authorized through the fund.

Core Business Area - Technology and Information Management

Priority 1: *Information Management Framework: Develop a corporate Information Management Strategy and Framework for Government-held information in the Province of Nova Scotia. This includes continued leadership and support in the development of corporate information management policies, standards, and guidelines.*

2004-2005 Accomplishment:
The Information Management Framework was delivered in the fall of 2004 with a public release of the strategy anticipated for the fall of 2005. The purpose of the strategy is to address issues around information management such as governance, accountability, organization structure, capacity, information management handing practices, marketing, communications, and education. OED continues to lead the strategy implementation.

As a result of jurisdictional consultations held across the country for this strategy, OED has been credited with helping to establish a PAN-Canadian Committee for Information Management.

Priority 2: *Data Centre Services Project: In collaboration with the Department of Transportation and Public Works, initiate a three year project to examine all areas of government information technology operations to identify areas to improve efficiency, reduce cost, and meet the changing demands for technology services in the public sector.*

2004-2005 Accomplishment:
The year ended March 31st, 2005 was the first year of a 3 year effort that is to result in the implementation by the Province of a service delivery model for IT operational services across government. Key accomplishments included the approval of a project charter as well as corporate development and approval of the business drivers the project is to address.

OED also completed a review of current operational practices and current costs for IT operational services across all departments and successfully negotiated a revision and extension of the Data Centre agreement which provides services for managing the provincial data centre.

Priority 3: *SAP program: Use the provinces investment and expertise in SAP applications and tools to create a higher level collaborative use of technology and information across the public sector.*

The SAP Program office continues to support government's investment and expertise in SAP. During the fiscal year 2004-2005, guiding documents were developed including the Governance Framework, the Customer Competency Center Service Delivery Review and the Program Evaluation Framework. Work on these initiatives resulted in a list of priorities and an implementation plan to guide the program.

The SAP Program Management Office also continues to work with public sector entities to determine if the SAP solution meets their business requirements and to provide support during project implementation. In 2004-2005 a draft municipal sector strategy was created. As well, a planning exercise was undertaken with the Department of Health to develop a business case for the implementation of an enterprise application solution for financials, materials management and human resources/payroll. As a result, SAP software was chosen as the enterprise application solution. In 2004/05, loan functionality was implemented at the Fisheries and Farm Loan Boards. SAP's tax and water billing functionality was also implemented within Cape Breton Regional Municipality and the Halifax Regional Water Commission implemented SAP Financials. During the early months of 2005, Project eMerge was in the final stages of implementing SAP Human Resources/Payroll within the province.

Finally, late in 2004, approval was obtained to proceed with recommendations from the Corporate Portal Strategy.

Priority 4: *Coordination and Leadership of corporate technology and information: Provide support to the technology and information governance structure within government and leadership in the Nova Scotia public sector. Analyze, monitor, report and recommend on all matters relating the public sector use of technology and information so that those investments support the vision and priorities of government.*

2004-2005 Accomplishment:

OED continues to provide leadership and support to the various corporate forums within the Government's governance structure and the Nova Scotia Public Sector. OED supports the Business and Technology Advisory Committee whose mandate is to co-ordinate and facilitate strategic planning, information technology, business process improvement, and management of change initiatives on a government-wide basis. OED also supports the Corporate IT Directors Forum (ITDF), the Corporate Information Management (IM) Forum, and the Tangible Capital Asset (TCA) Committee. OED participates on various steering committees throughout government for departmental IT/IM initiatives to help ensure those investments support the overall vision and priorities of government.

Core Business Area - Innovation:

Priority 1: *Implement and support the Innovative Nova Scotia Policy/strategic direction. Collaborate on the implementation of Innovative Nova Scotia recommendations to provide emphasis and coordinated direction for Province of Nova Scotia innovation activity.*

2004-2005 Accomplishment:
To help promote increased research and development activity in the province, OED provided direct additional funding support to the Nova Scotia Research and Innovation Trust (NSRIT) in 2004-05. The NSRIT was established in 2001 by the Government of Nova Scotia to help leverage national research program funding. To date the Province has invested some $28 million through the NSRIT in our research institutions.

OED continues to support the strategic directions outlined in the Innovative Nova Scotia Policy through support for the Premier's Advisory Council on Innovation. In 2004-2005, consultation and analysis were conducted to wards the release of the first report from the Premier's Advisory Council in 2005-2006. OED also participates on various inter-governmental initiatives at the provincial, regional and national levels which aim to improve coordination of public sector innovation related effort and activities.

OED launched a pilot Early-Stage Commercialization Fund to attract researchers to commercialize the outcome of their research. With Acadia University, the pilot program received 14 proposals of which 6 were selected for support. The pilot program will be extended to all other universities and the NSCC in 2005-2006.

Core Business Area - Regional Capacity

Priority 1: *Community Development Policy: Lead implementation of the new Community Development Policy.*

2004-2005 Accomplishment:
Cabinet endorsed the Community Development Policy in December 2004. The process of communicating the Policy and its principles across the provincial government has begun. An action plan was developed and the Community Development Advisory Group (CDAG) is now leading its implementation.

Priority 2: *Small Business Support System: Collaborate with Nova Scotia Business Inc (NSBI) to develop a coordinated approach to support small business in the province.*

2004-2005 Accomplishment:
Recognizing access to capital is the single biggest issue for small businesses in Nova Scotia, OED initiated a loan guarantee program in 2003, which is offered in partnership with 39 credit unions throughout the province. In the second year of the program, a third party assessment resulted in the conclusion that the program be made permanent. This recommendation was endorsed by the Standing Committee on Economic Reform in the fall of 2004. As well, at the end of fiscal year

2004-2005, the annual guarantee amount was expanded from $2m per annum to $3m.

In 2004-2005, the regionalization network of Canada / NS Business Service Centre initiatives was also expanded to include new sites in Shelburne and at Kespuwick Park (former CFB Cornwallis). The total network in rural NS now stands at 12 locations.

During 2004-2005, OED introduced the Student in Business Loan Program. The program is managed by the Community Business Development Corporations throughout the province and by the Centre for Entrepreneurship Education and Development in HRM. Funded by OED, ACOA, ECBC, INAC and HRSDC, the program offers financial assistance and mentoring to student business on a year round basis. Approx 50 businesses were assisted through this program in 2004-2005.

OED has also supported Nova Scotia's small businesses through continued financial support for development organizations such as Regional Development Authorities, the Black Business Initiative, the Nova Scotia Co-operative Council (NSCC), the Nova Scotia Association of Regional Development Authorities, and Le Conseil de développement économique de la Nouvelle-Écosse. Also, on a regional basis, OED provided in kind support for NSCC business development projects and has completed assessment of rural development issues and trends based in Business plans of RDAs.

A sample of strategic project supported by OED include:

- Funding support for the opening of the Cheticamp Call Centre;
- Participation in a three year funding program, Destination Northeast Highlands, to market the Northeast highlands area of Cape Breton.
- Collection and laboratory analyses of multiple samples of Lacustrine Clays situated at Eden, Inverness County;
- Participated as a funding partner in the Economic Developer's Association of Canada's annual conference.

Priority 3: *Community Access Program: Ensure that C@P sites continue to evolve to meet the needs of their communities as an integrated function of community and rural development infrastructure.*

2004-2005 Accomplishment:

The Community Access Program (C@P) is a federal-provincial initiative which aims to provide citizens with affordable public access to the Internet and the skills they need to use it effectively. The program continues to play a crucial role within Nova Scotia, bridging the digital divide; contributing to the foundation for electronic access to government services; encouraging on-line learning and literacy; fostering the development of community based infrastructure; and, promoting Canadian e-commerce.

OED also supports a C@P related youth initiative, the Community Access Program Youth Initiative (CAP YI). The youth program provides employment opportunities to young Canadians between the ages of 15 to 30 in various C@P sites across the country.

Core Business Area - Procurement

Core Business Area - Procurement

Priority 1: Strategic Sourcing: Identify and implement new opportunities for bulk purchasing at the provincial level.

2004-2005 Accomplishment:
The Council of Atlantic Premiers (CAP) identified 3 initiatives as part of the Atlantic Action Plan relating to procurement. One item was to further explore options for joint procurement. The Atlantic Directors of Procurement met in St. John's NL in July to consider their options and agreed to identify strategic areas where the provinces should work together without adversely effecting the local supplier community. It was agreed that joint procurement initiatives presenting a cost savings approach and in the best interest of both Atlantic suppliers and governments, would continue to be promoted. Some areas identified include Health Services initiatives, vehicle licensing programs and school bus purchases.

Priority 2: Supplier Development: Develop a strategic framework for a sustainable Supplier Development Program and begin implementation of the deliverables as outlined in the work plan.

2004-2005 Accomplishment:
The project charter and framework for the Supplier Development Program (SDP) which is intended to maximize the positive impact of public sector expenditures (investments) on goods, services and construction to grow and diversify our economy, and to improve the competitiveness of Nova Scotia businesses is complete and approved. As part of that framework tools such as a Public Purchasers Contact Directory, video presentation and procurement brochure were completed. Also to assist Nova Scotia business in accessing public sector procurement opportunities, a Provincial Procurement Card program was launched as well as the Tender Opportunities Notification Service (TONS). A reciprocity framework which ensures Nova Scotia Vendors are being treated fairly in other jurisdictions has been implemented. A position and funding has been secured to ensure NS Manufactured specifications are used in tender documents. Reverse Trade Shows (RTS) have been completed in Amherst, Cornwallis, Pictou County Antigonish and Sydney RTS are scheduled for Yarmouth, Halifax, Bridgewater and Truro for this year A communication plan has been developed and is currently being implemented.

Priority 3: Procure to Pay Process Review: Identify the priorities and begin implementation of the recommendation contained in the Procurement/Finance process review.

2004-2005 Accomplishment:

A "Procure to Pay" process encompasses all of the activities involved in selecting, ordering, receiving, and paying for goods and services. The Departments of Finance and transportation and Public Works completed a Procure to Pay Process Review late in 2003-2004. The review was conducted to identify opportunities to improve the "Procure to Pay" process within the Province. Implementation of the recommendations involves phasing in significant process and technology change over the next several years. Resources to form a project team to conduct the initial planning and scoping, and "quick hit" implementation have been identified. The project team will begin work in early October 2005 with phase one to be completed by year end 2005-2006.

Priority 4: Trade Agreement Negotiation: Collaborate with Inter-Governmental Affairs to add value to the Atlantic Procurement Agreement and Chapter 5 of the Agreement on International Trade. Both are designed to reduce inter-provincial trade barriers related to public procurement.

2004-2005 Accomplishment:
OED continues to participate on the Procurement Negotiating Table (PNT) to deal with any changes or adjustments to Chapter 5 of the Agreement on International Trade (AIT). OED in collaboration with IGA has also been active on the PNT finalizing and seeking approval of the Crown Procurement Annex to the Procurement Chapter. Completion and sign-off of the Annex by all jurisdictions was completed in the summer of 2005. Also, progress was made in improving the Procurement Chapter of the AIT, including wording changes related to procedures for procurement, non-application, regional economic development and definitions. The Council of Atlantic Premiers Action Plan identified three areas for improvement:

- Liberalization of Procurement Thresholds. It was agreed that regardless of dollar thresholds, all suppliers in the Atlantic Provinces be afforded equal opportunity to bid on public tenders without preferences being applied.
- Improved reporting. The four provinces will share information related to procurement trends.
- Joint procurement opportunities. It was agreed that joint purchasing initiatives that present a cost savings approach would continue to be promoted by all Governments.

In addition, it was noted that liability may be an issue regarding tender calls and awards that are made in one Province and have legal implications upon another Atlantic Province. It was agreed that all jurisdictions would seek the legal advise relative to liability issues in relation to joint tenders.

Financial

Office of Economic Development - Estimated Budget Expenditures				
	Estimate 2003/04 (Per 2004/05 Estimates Book)	Actual 2003/04 (Per 2005/06 Estimates Book)	Estimate 2004/05 (Per 2005/06 Estimates Book)	Actual 2004/2005
	$ Millions	$ Millions	$ Millions	$ Millions
Total Program Expenses - Gross Current	$37.6	$44.4	$45.1	$61.5
Net Program Expenses - Net of Recoveries	$30.9	$36.7	$38.8	$55.9
Salaries and Benefits (Gross)	$5.3	$4.7	$7.3	$6.8
Funded Staff (FTEs) (Gross)	81.5	72.7	116.2	103.5
Funded Staff (FTEs) (Net)	74.8	66.1	112.3	97.7

Note 1
Office of Economic Development - a gross increase of $16.4 million:

- additional funding ($6.9 million) for innovation incentives and loan valuation allowances approved during the fiscal year
- funding for research and innovation to refresh the NSRIT Fund ($5.0 million) and for the Dalhousie Life Sciences Institute ($3.0 million)
- funding ($3.5 million) for Pier 21, C@P and various community grants, which was approved in December 2004 through the Strategic Funding Initiatives

The increases noted above have been offset, in part, by the following:

- a reduction in the grant ($0.9 million) to Stora Enso a s the timing of the

concessionary criteria was not met in full during the fiscal year

- vacancy and operational savings ($1.2 million) across the department

Note 2

Office of Economic Development - a net increase of $17.1 million:

- as above, plus a reduction ($0.8 million) in the recoveries from ACOA under the EDA, which have been rebalanced to 70% of the project costs over the life of agreement.

Note 3

Salary and FTE figures reflect a decrease due to vacancies across department.

Outcomes Measures

This section reports on each of the department's measures highlighted in the 2004-05 Business Plan.

Core Business Area: Leadership and Coordination
Outcome: A coordinated economic development and innovation system
Measure: Participant satisfaction

Introduction to the core business area and intended outcome:
OED is positioned as the hub of the economic development, innovation and technology agendas for the province. That role involves extensive collaboration with other entities in the system.

What does the Measure tell us?
Our effectiveness as the hub is largely determined by our ability to add value to the partners with whom we collaborate.

Where are we now?
N/A

Where do we want to be in the future?

OED continues to have two key objectives. First, we want to expand and reinforce the network that includes OED and its core clients. Second, we want to sustain and possibly improve the client satisfaction results of that expanded network.

Outcome: A well coordinated economic development, innovation, and technology support system
Measure: Progress tracked and documented in annual progress report

Introduction to the core business area and intended outcome:
Opportunities for Prosperity - Nova Scotia's economic growth strategy - was launched in October, 2000.

What does the Measure tell us?
The report outlines progress in specific areas addressed in *Opportunities for Prosperity*. The existence of the report tells us that *Opportunities for Prosperity* continues to be the strategy guiding economic development in the province and that we are tracking progress against the directions identified in that document.

Where are we now?
The OfP Progress Report is now being developed and will be released in the Fall of 2005.

Where do we want to be in the future?
Increase the number of OfP activities completed.

Outcome: Implementation of *Opportunities for Prosperity*
Measure: Annual Progress Report

Introduction to the core business area and intended outcome:
Opportunities for Prosperity - Nova Scotia's economic growth strategy - was launched in October, 2000.

What does the Measure tell us?
The report outlines progress in specific areas addressed in *Opportunities for Prosperity*. The existence of the report tells us that *Opportunities for Prosperity* continues to be the strategy guiding economic development in the province and that we are tracking progress against the directions identified in that document.

Where are we now?
The OfP Progress Report is now being developed and will be released in the Fall of 2005. In addition, a revitalized economic growth strategy, OfP2005, is in development with a release planned for Winter 2005.

Where do we want to be in the future?
We are working toward a well coordinated economic development, innovation, and technology support system. Such a system needs to be supported by longer term strategies and on-going processes for shorter term coordination. Formalized processes for collective planning, reporting and shared accountability will be key indicators of a well coordinated system.

Outcome: Competitive Business Climate
Measure: Nova Scotia Business Climate Index

Introduction to the core business area and intended outcome:
Improving the business climate of Nova Scotia was the number one issue identified by the Red Tape Reduction Task Force and the *Opportunities for Prosperity* consultation process. To measure the business climate, OED produced the first Business Climate Index (BCI) in June 2002. It measures Nova Scotia's business climate and compares it with other provinces and provides a
roadmap for building a more competitive business climate.

This *Business Climate Index* is a key deliverable from *Opportunities for Prosperity* and provides a benchmark for comparing Nova Scotia's performance to other jurisdictions.

What does the Measure tell us?
The BCI assesses general business climate across 53 indicators and ranks the province on each of these relative to other provinces in Canada. Data for the index is compiled primarily from Statistics Canada and is based on the most recent year available. Data compiled for the index helps pinpoint areas where Nova Scotia needs to improve. Each year action plans are developed to strengthen weaker areas.

Where are we now?
For the third year, the BCI demonstrates that Nova Scotia has the most competitive business climate in Atlantic Canada. Nova Scotia maintains this ranking in 2004 and ranked third overall in Canada.

Where do we want to be in the future?
Nova Scotia's challenge is to maintain the best business climate in Atlantic Canada, improve our national ranking and close the gap separating the province from the leaders in the area. Business Climate Action Plan priorities are: immigration; corporate and personal income tax levels; access to capital; and property and indirect tax.

Outcome: Most Competitive Business Climate in Atlantic Canada
Measure: Venture capital investments and business loans per employee

Introduction to the core business area and intended outcome:
To grow and succeed in the Nova Scotia, national and international marketplace business requires access to a variety of sources of capital.

What does this measure tell us?
Venture Capital Investments measures private equity dollars available in Nova Scotia. Business Loans Per Employee measures the number of business loans from chartered banks to businesses in Nova Scotia.

Where are we now?
In 2004, Venture Capital Investments were $16 per employee *a significant drop from $59 per employee in 2001. This drop represents a trend across Canada where every province saw its investment level drop dramatically*. The most recent statistics for Business Loans per employee are from 2003 ($4520/employee).

Where do we want to be in the future?
The province continues its strategy to partner with local Credit Unions to increase the availability of loan funds to business. The province, in cooperation with organized labour and local investment professionals, will also work to develop pools of capital that can be used to make investments in Nova Scotia businesses. As noted earlier, in 2004-05 a new Labour-Sponsored Venture Capital Corporation (LSVCC) was officially launched. This new Fund, Growthworks Atlantic Fund, is managed in Halifax and will focus on investments in the four Atlantic Provinces.

Outcome: Attraction and retention of immigrants to fill targeted N.S. skill gaps
Measure: Count of nominee certificates

Introduction to the core business area and intended outcome:
The Nova Scotia Nominee Program offers significant benefits to businesses and communities in

the province. Along with the potential to raise capital, the program helps fill specific needs in a variety of fields by selecting qualified immigrants to settle and work in Nova Scotia.

What does this measure tell us?
The program is designed to help Nova Scotia employers fill critical skill shortages in the permanent workforce and to create economic benefit to the provincial economy. The NSNP allows employers to nominate up to 1,000 immigration candidates over five years – 200 candidates each year, plus their immediate family members.

Where are we now?
160 Nomination Certificates were issued in FY 04/05.

Where do we want to be in the future?

Our goal is to help the province meet its industrial, economic and labour market needs, resulting in a more diverse workforce and economy.

Core Business Area - Technology & Information Management

Outcome: Enhanced effectiveness and efficiency of government operations supported by cost effective and innovative use of information and technology
Measure: Government Data Centre Services contract - Savings new versus existing contract.

Introduction to the core business area and intended outcome:
OED and TPW shared responsibility for defining the requirements and approach to the Government Data Services contract. During FY 04/05 TPW, with assistance from OED, negotiated a new Data Services contract with the goal of achieving cost savings for government. The new contract has resulted in a drop in price of about 10% resulting in savings of about $400,000 annually.
What does this measure tell us?
The total dollars saved to government is an indicator of cost effective use of information technology.

Where are we now?
The 3 year, IT Service Delivery project is now addressing a broader range of IT operational services across government looking for further improvements in both cost and effectiveness.

Where do we want to be?
As reliance on IT operations continues to grow, the government wants to find the best combination of reliability, security, effectiveness and cost for running its IT services in general and the infrastructure component in particular.

Outcome: A well coordinated Technology and Information Management system across the Nova Scotia public sector
Measure: Participant satisfaction

Introduction to the core business area and intended outcome:
OED is positioned as the hub of the information technology and information management system for the province. That role involves extensive collaboration with other entities within the public sector.

What does this measure tell us?
OED's effectiveness as the hub is largely determined by its ability to add value to the partners with whom it collaborates.

Where are we now?
N/A

Where do we want to be?
OED wants to expand and reinforce its IT/IM network within the public sector. In doing so, it is anticipated that client satisfaction and perception of the value OED adds to the system will improve.

Outcome: A well coordinated Technology and Information Management system across the Nova Scotia public sector
Measure: Level of public sector participation in SAP Public Sector Program.

Introduction to the core business area and intended outcome:
Corporate participation in the use of common integrated computer applications to support operations, is an indicator of a coordinated and efficient IT system.

What does this measure tell us?
An increased number of public sector entities participating in the SAP Public Sector Program is an indicator of system coordination.
Where are we now?
In FY 04/05, there has been an increase in public sector entities participating in the SAP program. Loan functionality was implemented at the Fisheries and Farm Loan Boards. SAP's tax and water billing functionality was also implemented within Cape Breton Regional Municipality and the Halifax Regional Water Commission implemented SAP Financials. During the early months of 2005, Project eMerge was in the final stages of implementing SAP Human Resources/Payroll within the province.

Where do we want to be?
Increased participation in the SAP public sector program.

Outcome: Quality information available to decision makers
Measure: Number of managers accessing reports in SAP; increase use in reporting

Reduction in time to generate reports for key stakeholders

Introduction to the core business area and intended outcome:
What does this measure tell us?
There are proven benefits associated with the use of a single integrated computer application including access to reports and a reduction in the time required to generate new reports.

Where are we now?
Improved access to reports and a reduction in the time required to generate reports are being made possible through the SAP implementations - which are creating an integrated common system for government operations.

Where do we want to be?
Continued improvement in the accessability of reports is expected as the SAP Public Sector Program expands within the public sector.

Core Business Area - Innovation

Outcome: A more innovative Nova Scotia
Measure: TBD

Introduction to the core business are and intended outcome:
Innovation spurs productivity. Productivity has time and time again been shown to have a direct relationship revenues and employment, which is essentially economic growth and prosperity. Innovation is, by its nature, a broad area which encompasses a number of issue areas, sectors and foci. OED is in the process of developing measures that align with national efforts.

What does this measure tell us?
There has been an expressed need for the development of broadly based benchmarks to permit longer term, ongoing evaluation of Nova Scotia innovative performance. Benchmarks and ongoing measurement will allow for the evaluation of the effectiveness of public sector innovation-related policy and programs.

Where are we now?
A comprehensive set of innovation focused benchmark indicators has been developed as a result of on-going efforts by federal and provincial government officials in conjunction with work undertaken by the Nova Scotia Voluntary Planning Economic Growth and Competitiveness Sector Committee. R&D spending, productivity (i.e. GDP per capita), and the number of jobs created in knowledge based industries are just some of the innovation focused benchmark indicators.

Where do we want to be?
To grow and expand innovation in Nova Scotia so that it matches or exceeds innovation performance in the leading regions of the country.
Future performance expectations will be based on objectives stemming from the analysis and

assessment of finalized benchmark data.

Core Business Area - Regional Capacity

Outcome: Expanded regional capacity to support economic growth
Measure: Number of communities with community development plans.

Introduction to the core business area and intended outcome:
Similar to the presence of business plans for RDA's, the presence of community development plans (strategic plans) is an indicator of a communities ability to grow economically.

What does this measure tell us?
The effectiveness of rural development in Nova Scotia.

Where are we now?
All communities have strategic plans as evidenced.

Where do we want to be?
The goal is to maintain our target for all communities to have strategic plans.

Outcome: Expanded regional capacity to support economic growth
Measure: Regions have capacity for business development and retention.

Introduction to the core business area and intended outcome:
The capacity to support economic growth is an indicator of an economy.

What does this measure tell us?
NA

Where are we now?
NA

Where do we want to be?
Our goal is to determine the current level of regional capacity to support economic growth and to expand this capacity.

Outcome: Expanded regional capacity to support economic growth
Measure: Number of active public access Internet sites

Introduction to the core business area and intended outcome:
The Community Access Program (CAP) is a federal-provincial initiative which aims to provide citizens with affordable public access to the Internet and the skills they need to use it effectively. The establishment of long-term sustainable C@P sites throughout Nova Scotia represents a tangible step towards the goal of developing the community-based technology infrastructure needed to help foster economic and social growth opportunities for Nova Scotians.

What does the Measure tell us?
The number of active C@P sites provides an indication of the level of public access to the Internet currently available in Nova Scotia.

Where are we now?
Under the terms of the Industry Canada-Government of Nova Scotia Community Access Program Memorandum of Agreement, over 250 C@P sites in Nova Scotia were established. Currently there are 281 C@P sites.

Where do we want to be in the future?
As well as the long-term objective of maintaining at least 75% of Nova Scotian C@P sites, the short-term goal is first to measure the number of clients served and to evaluate services provided. These services may include access to government information and services on-line, internet banking, tourism use, general and targeted training and e-commerce. The goal in 2005-06 is to increase these numbers.

Outcome: Efficient and effective rural development through the RDA program
Measure: The number of RDAs with ISO9000 compliance.

Introduction to the core business area and intended outcome:
For our purposes, the community capacity to support economic growth is measured by the strength of RDAs in the province. ISO compliance is an indication of RDA strength.

What does this measure tell us?
There are multiple indicators associated with the strength of the RDAs. The existence of strategic plans and business plans is an indicator, as is ISO compliance.

Where are we now?
Each region of the province has an RDA. All RDAs have business plans. In addition, all RDAs have committed to pursuing ISO compliance and one is currently compliant. All RDA's are expected to be ISO compliant in early 2005-2006.

Where do we want to be?
We would like to maintain the 14 RDAs and ensure all have business plans and are ISO compliant.

Outcome: Efficient and effective rural development through the RDA program
Measure: Business plan reviews

Introduction to the core business area and intended outcome:
Communities must be actively involved in their own development. The number of RDAs in the province with business plans is an indication of how engaged the communities are in planning for their development. The existence of a business plan that has been reviewed by three levels of government indicates that citizens and government have agreed upon a common direction for hte community.

What does this measure tell us?
The strength of rural development in Nova Scotia.

Where are we now?
All RDAs have business plans that have been reviewed by their funding partners.

Where do we want to be?
Continue to review RDA business plans on an annual basis.

Core Business Area - Procurement

Outcome: A procurement process that is open, fair and obtains best value for the province.
Measure: Percentage of government goods, services and construction obtained through competitive bid.

Introduction to the core business are and intended outcome:
The procurement branch of OED aims to maintain a procurement process that is fair to vendors while also obtaining best value for the province. It does this by ensuring a fair and competitive bidding process is maintained.

What does this measure tell us?
Percentage of government goods, services and construction obtained through competitive bid.

Where are we now?
The average percentage of government goods, services and construction obtained through competitive bid was 88% in FY 04/05 (82% in FY 03/04)

Where do we want to be?
Maintain the percentage of transactions procured through a competitive bid process.

Outcome: A procurement process that is open, fair and obtains best value for the province.
Measure: Average number of bids received per competition.

Introduction to the core business area and intended outcome:

What does this measure tell us?

Average number of bids received per competition and Supplier response to competitive bidding process.

Where are we now?
The average number of bids received per competition was 4.3 in FY 04/05 (4.3 in FY 03/04).

Where do we want to be?
Minimum average of 4 bid responses received through a competitive tender process.

Outcome: A procurement process that is open, fair and obtains best value for the province.
Measure: Average time lapse between Request for Proposal open and close dates.

Introduction to the core business area and intended outcome:

What does this measure tell us?
This measure is the average time lapse between tender availability and closing dates. It is an indicator of whether vendors have reasonable notice of opportunities.

Where are we now?
Average availability in FY 04/05 is 21.7 (22.9 days in FY 03/04).

Where do we want to be?
Maintain a minimum response time of 15 calendar days.